

Office of Attorney General Terry Goddard



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FOR IMMEDIATE RELEASE

**** Consumer Advisory ****

Vehicle Sublease Schemes Target Car Owners and Lessees

(Phoenix, Ariz. – July 08, 2005) Attorney General Terry Goddard is warning consumers to be wary of rescue schemes that promise vehicle owners a means of removing themselves from loan or lease payments without dealership or lender penalties. These schemes do not work, and in the end, car owners and lessees are often left with damaged credit and significant financial harm.

The scheme works like this: A company will solicit vehicle owners who are looking to get out of their monthly loan or lease payments and make some of the following promises:

- The company will find a "User" to take possession of the owner's vehicle and assume the monthly loan or lease payments.
- The User will pay any maintenance and/or any repair costs.
- The User will provide full insurance coverage for the vehicle.
- If the User fails to make monthly payments, the company guarantees it will pick up the tab, at no cost to the owner.

Unfortunately, experience has shown that when the "Users" default on the monthly payments – and they often do – these companies frequently fail to live up their promises. Owners, who are not in possession of their cars, are forced to make the monthly payments to avoid harm to their credit, as well as foot the bill for unpaid insurance premiums and any vehicle repairs.

Vehicle sublease rescue companies are proliferating throughout Arizona and preying on consumers who have difficulty making their car payments. Consumers should be careful. Read the terms and conditions of the vehicle loan or lease agreement carefully. Most lenders' financial agreements will expressly prohibit the sublease or transfer of any interest in the vehicle to a third party.

The Arizona Attorney General's Office is aggressively pursuing these fraudulent businesses and urges anyone who has been a victim to complete an on-line complaint form available at www.azag.gov or call the Attorney General's Office at:

Office of the Attorney General, Phoenix
Consumer Information and Complaints
1275 W. Washington
Phoenix, Arizona 85007-2926
602-542-5763

Outside the
Phoenix or Tucson
Metro Areas
1-800-352-8431

Office of the Attorney General, Tucson
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400 W. Congress, South Building
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